

My intervention to the Treasury Minister about the Government's big increase in tax burden

Rt Hon Sir John Redwood MP (Wokingham) (Con): Why are the UK Government the only Government of an advanced country making a big increase in the tax burden this year and next, at exactly the same time as we are seeing very necessary monetary tightening to control inflation and a huge hit to net incomes from that inflation itself? Is that big tax rise not bound to make things worse and slow the economy too much?

John Glen, Minister of State (Treasury): We always listen carefully to my right hon. Friend. As he will know, we cut taxes earlier this year for hundreds of thousands of businesses through an increase in the employment allowance. We have also slashed fuel duty and halved business rates for eligible high street firms. We will continue to support growth through tax incentives, including the annual investment allowance and the super deduction—the biggest two-year business cuts in modern British history.

As I said in my response to Mr McFadden a few moments ago, we look forward to working closely with him and Back Benchers to construct the right agenda going into the future.